

**Grantee: Chandler, AZ**

**Grant: B-11-MN-04-0502**

**October 1, 2012 thru December 31, 2012 Performance Report**

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**Grant Number:**

B-11-MN-04-0502

**Obligation Date:****Award Date:****Grantee Name:**

Chandler, AZ

**Contract End Date:**

03/09/2014

**Review by HUD:**

Submitted - Await for Review

**Grant Amount:**

\$1,332,011.00

**Grant Status:**

Active

**QPR Contact:**

Janice Tanzer

**Estimated PI/RL Funds:**

\$0.00

**Total Budget:**

\$1,332,011.00

## Disasters:

### Declaration Number

NSP

## Narratives

### Summary of Distribution and Uses of NSP Funds:

The City of Chandler proposes to utilize NSP 3 funds to provide a multi-faceted approach to reducing foreclosures within the greatest need census tracts of the City of Chandler by providing a variety of NSP 3 activities: down payment assistance, acquisition/rehabilitation for first time homebuyers (Chandler Community Land Trust), permanent affordable rental unit development and acquisition/demolition and reduction of blight.

The City of Chandler proposes to allocate \$419,643 in NSP 3 funds to develop three (3) permanent affordable rental units. The housing units will be targeted and rented to income-qualified (below 50% AMI) working poor, formerly homeless families and low-income Veteran families. All affordable rental units will be located in the 422209 census tract (NSP3 Need Score 18).

The City of Chandler proposes to allocate \$200,000 in NSP 3 funds to provide down payment assistance to 20 first time homebuyers whose annual household income does not exceed 120% AMI. Up to \$10,000 in assistance will be available for qualified first time homebuyers. It is estimated that 15 first time homebuyers will have a median income between 51%-80% and would also be eligible for Individual Development Account (IDA) match funds up to \$15,000. It is estimated that five (5) first time homebuyers will have a median income of 81%-120%. A total of 16 homebuyers will receive down payment assistance to purchase vacant and foreclosed homes in the 523002 census tract (NSP 3 Need Score 19) and 4 homebuyers will receive down payment assistance to purchase vacant and foreclosed homes in the 422209 census tract (NSP 3 Need Score 18).

The City of Chandler proposes to allocate \$492,447 in NSP 3 funds to the Chandler Community Land Trust which will acquire, rehabilitate and resell seven (7) vacant, foreclosed homes to qualified first time homebuyers. The Land Trust creates permanently affordable housing stock in the City of Chandler as it resells just the structure to homebuyers and the land remains in the land trust. It is estimated that six (6) homes will be purchased, rehabilitated and resold to first time homebuyers whose median area income is at or below 80%. One home will be purchased, rehabilitated and resold to a first time homebuyers whose annual household income is at or below 50% AMI. All seven Land Trust homes are proposed to be purchased in the 523002 census tract.

Finally, the City of Chandler proposes to allocate \$150,000 to establish the Chandler Land Bank Program. Chandler proposes to purchase approximately two vacant, foreclosed, blighted multi-family structures (total of 4 units), demolish the blighted structures and hold the property in an established land bank for purposes of redevelopment. These structures will be located in the 523002 census tract.

During the months of August and September 2012, the City developed, sought Public Comment for, and City Council approved a Substantial Amendment to the NSP3 Program Action Plan to expand the number of Census Tracts for the NSP3 Program. In the City's original Action Plan submittal for NSP3, two Census Tracts were designated for NSP3 program operations. Due to the decline in the number of foreclosed properties citywide, the expansion of the NSP3 eligible areas was necessary in order to insure timely expenditure of NSP3 funds. In addition to Census Tracts 422209 and 523002, the Substantial Amendment approved the addition of Census Tracts 522902, 523102 and 522729. The five tracts all have a Needs Score of 18 or 19.

### How Fund Use Addresses Market Conditions:

The City has developed a strategic approach in targeting areas where NSP 3 activities will have a larger impact on more residents and where service providers can provide an effective program that will meet NSP 3 expenditure deadlines. Originally Chandler selected two census tracts to target NSP 3 activities which had NSP 3 Need Scores of 18 and 19. In the summer of 2012, as the number of foreclosures on the market decreased, Chandler approved a Substantial Amendment to expand the Census Tracts where the NSP3 program can operate. With the creation of NSP 3 activities and layering them within target areas of other Chandler programs and resources, such as HOME and NSP 1 activities, Chandler can make a visual and positive impact to reducing the number of vacant and foreclosed properties from the market. This will help to stabilize the targeted neighborhoods, allow opportunities for first time homebuyers to purchase homes without the risk of obtaining financing by a subprime mortgage related loan and remove slum and blighted conditions caused by vacant foreclosures.



## Ensuring Continued Affordability:

The City of Chandler will ensure continued affordability for NSP 3-assisted housing by adopting the HOME program standards at 24 CFR 92.252 (a), (c), (e), and (f) for rental units and 92.254 for homeownership units.

The affordability period for NSP 3-assisted acquisition or acquisition/rehab of rental and homeownership units will, at a minimum, meet the HOME standard:

Per-unit NSP 3 Assistance	Min. Affordability Period
up to \$15,000	5 years
\$15,000-\$40,000	10 years
above \$40,000	5 years

## Definition of Blighted Structure:

Chapter 30 of the Chandler City Code defines blight as:

Blight or blighted. Unsightly conditions including [including -- not limited to] accumulation of debris; fences characterized by holes, breaks, rot, crumbling, cracking, peeling or rusting; landscaping that is dead, characterized by uncontrolled growth, lack of maintenance, or is damaged; any other similar conditions of disrepair and deterioration; and the exterior visible use or display of tarps, plastic sheeting, or other similar materials as flexible or inflexible screening, fencing, or wall covering upon a residential lot; regardless of the condition of other properties in the neighborhood.

## Definition of Affordable Rents:

\* Apartment/Walk-up: 65% of current HOME rental limit: Currently these rents are- 2 bedroom-\$480/mo, 3 bedroom-\$520/mo and 4 bedroom-\$555/mo. These rents are 35% below the low HOME Rental limit.

\* Townhouse/Row House & Semi-detached duplex: 70% of the current low HOME rental limit: 2 bedroom-\$550/mo, 3 bedroom-\$600/mo, and 4 bedroom-\$645.00/mo. These limits are 30% below the low HOME Rental limit.

\* Detached house: 2 bedroom-75% of current low HOME rental limits: \$620/mo, 3 bedroom-\$670/mo and 4 bedroom-\$715/mo. These rental limits are 25% below the HOME rental limit.

The City of Chandler Section 8 Program Rent Limits effective October, 2010 indicates a 2 bedroom FMR is \$890/mo, for a 3 bedroom the FMR is \$1,227/mo and for a 4 bedroom is \$1,437/mo. Proposed rental rates are substantially lower.

In addition, ARM proposes to pay the water, sewer and refuse and if applicable, the HOA fee.

## Housing Rehabilitation/New Construction Standards:

All rehabilitation under the NSP 3 program will meet the HUD CDBG Rehabilitation Standards (25 CFR 570.208(b) (1-2)) and local City of Chandler building codes. All rehabilitation must meet a minimum standard that public health, safety and welfare are maintained or enhanced as work is performed. All work must be completed in a professional workmanlike manner in compliance with the workmanship standards and licensing requirements of the Arizona Registrar of Contractors as established by Arizona Statute. All units rehabilitated with NSP 3 funding will meet at a minimum Housing Quality Standards and include Residential Energy Standards.

## Vicinity Hiring:

Although none of the proposed projects anticipate hiring of new staff, the City of Chandler will require all subrecipient rehabilitation bids, contracting, or new hiring be accomplished through vicinity hiring practices as required by NSP 3. Proposed subrecipients included procedures for vicinity hiring in their NSP 3 funding applications which included preference for rehabilitation contracts that hire low-income Chandler residents and/or contract with Chandler businesses who have low-income employees.

## Procedures for Preferences for Affordable Rental Dev.:

The City of Chandler announced a preference for permanent affordable rental development projects during the Request for Proposal process stating that applications with viable proposals to increase permanent affordable rental in Chandler will receive additional preference scoring during the review process. The City received one (1) application for permanent affordable rental development and proposes to fully fund this activity.

## Grantee Contact Information:

City of Chandler, Jennifer Morrison, Neighborhood Resources Director, 235 S. Arizona Ave. MS 600, Chandler, AZ 85225  
480-782-4347, Fax 480-782-4350, jennifer.morrison@chandleraz.gov, www.chandleraz.gov

Overall	This Report Period	To Date
<b>Total Projected Budget from All Sources</b>	N/A	\$1,332,011.00
<b>Total Budget</b>	\$1,332,011.00	\$1,332,011.00
<b>Total Obligated</b>	\$0.00	\$1,332,011.00
<b>Total Funds Drawdown</b>	\$420,878.83	\$555,144.14
<b>Program Funds Drawdown</b>	\$420,878.83	\$555,144.14
<b>Program Income Drawdown</b>	\$0.00	\$0.00



Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$414,285.22	\$557,271.19
Match Contributed	\$0.00	\$0.00

## Progress Toward Required Numeric Targets

Requirement	Required	To Date
Overall Benefit Percentage (Projected)		0.00%
Overall Benefit Percentage (Actual)		0.00%
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$199,801.65	\$0.00
Limit on Admin/Planning	\$133,201.10	\$26,311.60
Limit on State Admin	\$0.00	\$26,311.60

## Progress Toward Activity Type Targets

Activity Type	Target	Actual
Administration	\$133,201.10	\$69,921.00

## Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$333,002.75	\$419,643.00

## Overall Progress Narrative:

Chandler's Substantial Amendment to the NSP 3 Action Plan was approved by HUD, expanding the number of eligible NSP3 Census Tracts from 2 to 5. The Amendment was critical to ensure the timely expenditure of NSP3 funds as marketplace foreclosures steadily declined. As a result, the City encountered a flurry of activity this quarter. During this report period alone, Newtown purchased 4 properties and ARM purchased 1 property. As of December 31, 2012, Chandler's NSP3 grant expenditures totaled \$555,144.14. This represents 41% of the City's total NSP3 allocation of \$1,332,011. Moreover, the City expended \$43,477 in January, 2013 for a Newtown purchase, and ARM purchased another property in January, 2013. While the expenditures for these properties aren't reflected in the financials for this quarter, it is important to note that they will enable the City to meet the March, 2013 expenditure deadline.

## Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
9999, Restricted Balance	\$0.00	\$0.00	\$0.00
9999, Restricted Balance	\$0.00	\$0.00	\$0.00
AcqReh2011, Acq/Rehab	\$407,659.92	\$912,090.00	\$528,832.54
Admin2011, NSP3 Administration	\$13,218.91	\$69,921.00	\$26,311.60
FM1, Financing Mechanisms	\$0.00	\$200,000.00	\$0.00



LandBank2011, Land Banking

\$0.00

\$150,000.00

\$0.00



## Activities

**Grantee Activity Number:** 2011 NSP3 Acq/Rehab CLT

**Activity Title:** Newtown CLT LMMH

**Activity Category:**

Acquisition - general

**Project Number:**

AcqReh2011

**Projected Start Date:**

05/01/2011

**Benefit Type:**

Direct Benefit (Households)

**National Objective:**

NSP Only - LMMI

**Activity Status:**

Planned

**Project Title:**

Acq/Rehab

**Projected End Date:**

06/30/2013

**Completed Activity Actual End Date:**

**Responsible Organization:**

City of Chandler

**Overall**

**Total Projected Budget from All Sources**

**Oct 1 thru Dec 31, 2012**

N/A

**To Date**

\$492,447.00

**Total Budget**

\$492,447.00

\$492,447.00

**Total Obligated**

\$0.00

\$492,447.00

**Total Funds Drawdown**

\$306,960.50

\$306,960.50

**Program Funds Drawdown**

\$306,960.50

\$306,960.50

**Program Income Drawdown**

\$0.00

\$0.00

**Program Income Received**

\$0.00

\$0.00

**Total Funds Expended**

\$306,960.50

\$306,960.50

City of Chandler

\$306,960.50

\$306,960.50

**Match Contributed**

\$0.00

\$0.00

### Activity Description:

The City of Chandler, through a partnership with Newtown Community Development Corporation, will purchase seven vacant, foreclosed homes to be included in the Chandler Community Land Trust. The Land Trust purchases homes, rehabilitates them and resells the structure only to income qualified first time homebuyers. The land is retained in the land trust. Chandler proposes that six first time homebuyers will have annual household incomes at 80% or below AMI. One first time homebuyer will have an annual household income at 50% or below AMI.

### Location Description:

All seven vacant and foreclosed homes to be purchased, rehabilitated and resold to eligible first time homebuyers will be located in the 523002 census tract, one of Chandler's NSP 3 targeted neighborhoods. This census tract has a NSP 3 Need Score of 19.

Under the recently approved Substantial Amendment for NSP3, Newtown estimates it will purchase and resell housing units in the following Census Tracts: 422209 - 1 unit; 523002 - 3 units; 522729 - 1 unit; 522902 - 1 unit; and 523102 - 1 unit.

### Activity Progress Narrative:

Newtown purchased 4 properties this quarter. Of these, 2 have completed the rehab phase and are under contract to be sold to eligible homebuyers. The remaining 2 properties are in the process of being rehabilitated.

## Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	0/7
# of Parcels acquired voluntarily	0	0/7

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	0/7
# of Singlefamily Units	0	0/7

## Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Permanent Jobs Created	0	0	0	0/0	0/0	0/0	0

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	0/7	0/0	0/7	0
# Owner Households	0	0	0	0/7	0/0	0/7	0

## Activity Locations

No Activity Locations found.

## Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

**Grantee Activity Number:** 2011 NSP3 Acq/Rehab Rental

**Activity Title:** ARM Acq/Rehab LH25

**Activity Category:**

Acquisition - general

**Project Number:**

AcqReh2011

**Projected Start Date:**

05/01/2011

**Benefit Type:**

Direct Benefit (Households)

**National Objective:**

NSP Only - LH - 25% Set-Aside

**Activity Status:**

Under Way

**Project Title:**

Acq/Rehab

**Projected End Date:**

06/30/2013

**Completed Activity Actual End Date:**

**Responsible Organization:**

City of Chandler

**Overall**

**Total Projected Budget from All Sources**

**Oct 1 thru Dec 31, 2012**

**To Date**

N/A

\$419,643.00

**Total Budget**

\$419,643.00

\$419,643.00

**Total Obligated**

\$0.00

\$419,643.00

**Total Funds Drawdown**

\$100,699.42

\$221,872.04

**Program Funds Drawdown**

\$100,699.42

\$221,872.04

**Program Income Drawdown**

\$0.00

\$0.00

**Program Income Received**

\$0.00

\$0.00

**Total Funds Expended**

\$100,699.42

\$221,872.04

City of Chandler

\$100,699.42

\$221,872.04

**Match Contributed**

\$0.00

\$0.00

**Activity Description:**

The City of Chandler proposes to award funds to Affordable Rental Movement of the Save the Family Organization, who will purchase three vacant and foreclosed multi-family units (single-family detached) for the use of permanent affordable rental development. Housing rental units will be rented to income qualified (at or below 50% AMI) working poor, formerly homeless families and low income Veteran families.

**Location Description:**

All three vacant, foreclosed multi family units to be purchased, rehabilitated and rented to low income (50% AMI or below) families and will be located in one of the City's NSP 3 targeted census tracts 422209. This targeted census tract has an NSP 3 Need Score of 18.

Under the recently approved Substantial Amendment for NSP3, ARM estimates it will purchase and rehabilitate housing units in the following Census Tracts: 422209 - 1 unit; 523002 - 1 unit; 522902 - 1 unit; and 523102 - 1 unit.

**Activity Progress Narrative:**

This quarter, ARM acquired and rehabilitated its second NSP3 property. A third property was purchased in January and will be reflected in next quarter's financial report. These properties will serve as permanent affordable rental units for a minimum of 20 years. ARM leased 2 NSP3 rental units during this reporting period to families with incomes below 50% of the Area Median Income (AMI).

The units reported as multi-family in this quarter's report were actually single-family units. The Action Plan shows the units for this activity as multi-family units, and will be amended to correctly show single-family units.



## Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	2	3/3
# of Parcels acquired voluntarily	2	3/3

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	2	2/3
# of Multifamily Units	2	2/3

## Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Permanent Jobs Created	0	0	0	0/0	0/0	0/0	0

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	2	0	2	2/3	0/0	2/3	100.00
# Renter Households	2	0	2	2/3	0/0	2/3	100.00

## Activity Locations

Address	City	County	State	Zip	Status / Accept
2155 N Grace Blvd #112	Chandler		Arizona	85225-	Match / N
401 W Shawnee Dr	Chandler		Arizona	85225-	Match / N

## Other Funding Sources Budgeted - Detail

### No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

<b>Grantee Activity Number:</b>	<b>2011 NSP3 COC Admin</b>
<b>Activity Title:</b>	<b>COC NSP 3 Administration</b>

**Activity Category:**

Administration

**Activity Status:**

Under Way

**Project Number:**

Admin2011

**Project Title:**

NSP3 Administration

**Projected Start Date:**

05/01/2011

**Projected End Date:**

06/30/2013

**Benefit Type:**

N/A

**Completed Activity Actual End Date:****National Objective:**

N/A

**Responsible Organization:**

City of Chandler

**Overall****Oct 1 thru Dec 31, 2012****To Date****Total Projected Budget from All Sources**

N/A

\$69,921.00

**Total Budget**

\$69,921.00

\$69,921.00

**Total Obligated**

\$0.00

\$69,921.00

**Total Funds Drawdown**

\$13,218.91

\$26,311.60

**Program Funds Drawdown**

\$13,218.91

\$26,311.60

**Program Income Drawdown**

\$0.00

\$0.00

**Program Income Received**

\$0.00

\$0.00

**Total Funds Expended**

\$6,625.30

\$28,438.65

City of Chandler

\$6,625.30

\$28,438.65

**Match Contributed**

\$0.00

\$0.00

**Activity Description:**

The City of Chandler will utilize \$69,921 or 5% of its total NSP 3 allocation for administration of Chandler's NSP 3 programs. Funding will be utilized for portions of staff salaries for implementation of the City's NSP 3 activities and for oversight of the subrecipient NSP 3 activities.

**Location Description:**

The City of Chandler proposes to administer all NSP 3 activities in the two specified targeted census tracts 523002 and 422209.

Under the recently approved Substantial Amendment, the number of eligible Census Tracts for implementation of the NSP3 program has been expanded from two tracts to five. City staff will oversee the administration of NSP3 program activities in these five areas.

**Activity Progress Narrative:**

City staff continued assisting Newtown and ARM by reviewing purchase contracts for conditions including approved site-specific environmental reviews, purchase prices that were at least 1% below appraised value and verification that properties were foreclosed and vacant with evidence of tenant protections. Staff also reviewed rehab cost estimates and verified properties were in the specified target areas. Staff met monthly with Newtown and ARM to discuss expenditure deadlines and goals, outreach to potential clients and project status.

### Accomplishments Performance Measures

No Accomplishments Performance Measures found.

### Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

### Activity Locations

No Activity Locations found.

### Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

#### Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

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**Grantee Activity Number:** 2011 NSP3 Newtown DPA

**Activity Title:** Newtown DPA LMMH

**Activity Category:**

Homeownership Assistance to low- and moderate-income

**Project Number:**

FM1

**Projected Start Date:**

05/02/2011

**Benefit Type:**

Direct Benefit (Households)

**National Objective:**

NSP Only - LMMI

**Activity Status:**

Planned

**Project Title:**

Financing Mechanisms

**Projected End Date:**

06/30/2013

**Completed Activity Actual End Date:**

**Responsible Organization:**

City of Chandler

**Overall**

**Total Projected Budget from All Sources**

**Oct 1 thru Dec 31, 2012**

N/A

**To Date**

\$200,000.00

**Total Budget**

\$200,000.00

\$200,000.00

**Total Obligated**

\$0.00

\$200,000.00

**Total Funds Drawdown**

\$0.00

\$0.00

**Program Funds Drawdown**

\$0.00

\$0.00

**Program Income Drawdown**

\$0.00

\$0.00

**Program Income Received**

\$0.00

\$0.00

**Total Funds Expended**

\$0.00

\$0.00

City of Chandler

\$0.00

\$0.00

**Match Contributed**

\$0.00

\$0.00

**Activity Description:**

The City of Chandler, in partnership with Newtown Community Development Corporation will provide up to 20 first time homebuyers with up to \$10,000 in down payment assistance to purchase a vacant, foreclosed home in either of Chandler's two NSP 3 targeted census tracts.

**Location Description:**

Twenty (20) first time homebuyers will receive assistance to purchase vacant foreclosed homes in both of the City's NSP 3 targeted areas, census tracts 523002 and 422209. Sixteen homeowners will be targeted in Census tract 523002 which has an NSP 3 Need Score of 19. Four homeowners will be targeted in Census tract 422209 which has an NSP 3 Need Score of 18. Under the recently approved Substantial Amendment for NSP3, Newtown estimates it will provide homebuyer assistance in the following Census Tracts: 422209 - 3 homebuyers; 523002 - 5 homebuyers; 522729 - 6 homebuyers; 522902 - 2 homebuyers; and 523102 - 4 homebuyers.

**Activity Progress Narrative:**

Newtown is developing a marketing package which will be used in early 2013 to promote the Homebuyer Assistance Program. Specific outreach to City employees has been scheduled for late January.

**Accomplishments Performance Measures**

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	0/20



# of Singlefamily Units

0

0/20

## Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	0/15	0/5	0/20	0
# Owner Households	0	0	0	0/15	0/5	0/20	0

## Activity Locations

No Activity Locations found.

## Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

### Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

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